Country Presentation

Customs - Kenya

Presentation by the Kenya Revenue Authority
KENYA’S EXPERIENCE

1. Customs Documents Processing Procedures

Imports
Importer or Agent
All Customs procedures are declared in a single entry form known as C63. The Importer or agent completes the entry and assesses duty and taxes. He then pays duties and taxes at the bank and presents the entry plus all supporting documents to customs.

Entry reception point
The entry is received from the importer or agent. The entry is checked against supporting documents and data entered into a computer. The data, duty, taxes and payment on computer screen is checked against the entry and is passed if the results are satisfactory.

Declaration point
The entry is passed through the declaration point where customs documents are checked for validity and completeness. Information checked includes duty assessment, origin, tariff, classification, value and exemption claim. The declaration officer selects consignment for inspection based on risk assessment. The declaration officer may check value against a stand-alone PC valuation database.

Entry Control Office
The entry control officer issues release order for consignments not subject to inspection, sends entries with supporting document to inspecting officer where inspection is required and distributes other entry copies to appropriate locations.

Inspection
The inspecting officer inspects goods and endorses results on entry and if satisfied issues release order and sends entry and supporting documents to manifest.

Manifest Section
Manifest section reconciles entry manifest either directly or through examination of port operators’ records. Overages and short-landed goods are dealt with then entries plus supporting documents are sent to post-release verification.

Post-release Verification and Audit
Post-release verification and audit may or may not select entry for further scrutiny depending on risk records.

**Exports**
The export processing procedures are similar to those for imports but simpler. Entries are received; checked for completeness; manually recorded and stamped; passed to the declaration officer for scrutiny of all documents and verification. For sensitive exports a check is made on the authority to export. The triplicate copy of the entry is submitted to statistics section for data processing.

**Reports**
The statistics division receives the data from the 6 major offices which is entered automatically through the Boffin system while other remote offices submit the triplicate of every passed (certified) declaration upon which data is entered into the system for production of reports. The remote offices forward some of their data in diskettes, which is combined with other data. The Boffin system generates reports monthly or according to the user needs.

**2. Customs System**
We have not installed ASYCUDA as yet.
The current customs application system is **Boffin**, which was developed in the United Kingdom and was first used in 1989. It is written in Cobol and runs on Wang hardware.

The system is operational at the major Kenya Revenue Authority (KRA) Customs offices in support of their day-to-day operations. Since 1996 Boffin has been enhanced to provide support for the single entry document and the Customs valuation regime.

Other remote offices use ordinary PCs to enter data, which in turn is transferred by diskette to the PC in the statistics department, head office. The consolidated data is also returned to Boffin for the production of appropriate reports.

**3. Customs Offices**
The number of customs offices in Kenya are **48** comprising 6 major and 24 small offices most of them at border points.
The remote offices are not connected to boffin system hence delay in receiving data from those offices.

**4. Declarations**
The number of declarations handled has grown over the years. For example, the number of export declarations increased from 88,000 in year 2001 to 153,828 in 2003 as shown in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Import Declarations</th>
<th>No. of Export Declarations</th>
<th>No. of Transit Declarations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>122,486</td>
<td>88,000</td>
<td>36,362</td>
</tr>
<tr>
<td>2002</td>
<td>127,078</td>
<td>76,056</td>
<td>55,463</td>
</tr>
<tr>
<td>2003</td>
<td>133,965</td>
<td>153,828</td>
<td>59,820</td>
</tr>
</tbody>
</table>

So far all the declarations are lodged and processed manually but with the new system this is expected to change to electronic.

5. Time Schedule
The Customs Office with technical assistance from the World Bank this year carried out a time-release study to measure the difference between the time documents are lodged and the time imported goods are released from the port. The time taken for different ports are as follows:

**Airports-2 days**

**Land Border Posts – 12 hours**

**Seaports – 5 days**

6. Customs Procedures
There are 9 different Customs regimes namely: Imports, Exports, Transit, transhipment, Warehousing, Ex-warehouse, Re-importation, Temporary Imports, and Temporary Exports. There are 57 procedures under these regimes.

7. Classification of Goods
We do check the classification of goods entering or leaving the country.

The description of the goods declared on the declaration form is counter checked with the SITC and the commodity code. Should there be a mismatch, the owner of the goods is asked to amend the entry and indicate the correct classification. At the point of exit goods undergo an X-Ray scanning process to ensure the goods actually conform to the declaration.
8. Valuation
The Customs Office implemented the World Trade Organisation (WTO) Agreement on Customs Valuation from January 2000. The office has achieved an important step with the use of updated reference database to control valuation.

Two Pre-Shipment Inspection (PSI) companies have been contracted to carry out valuation on behalf of Customs on imported goods. The companies issue a Clean Report of Finding (CRF) indicating the fair market value of the goods.

The Customs Office follows the General Agreement on Trade and Tariff (GATT) valuation procedures for valuation purposes. The valuation section gives guidelines on the assessment of value for tax purposes by interpreting the law in regard to value. For imports without CRF and used motor vehicles where the C.I.F price given is understated, the entry would undergo a valuation opinion.

9. Rules of Origin
The owner of the goods declares the country of import and the country of export on the declaration form. The country of origin or destination is also indicated on the Import Declaration Form (IDF), which is a licence to import or export, long before goods enter or leave the country. The PSI companies process the IDF to certify the country of origin and confirm through the CRF. The country of origin is deemed to be country where the goods were manufactured.

Kenya’s agreements –e.g. COMESA, EAC, AGOA with USA make necessary reinforcement of control of origin on imports, to secure revenue, and on exports, to ensure that Kenyan certificate is regular. A certificate of origin must accompany the entries for goods originating from or destined for the trading blocks.